

**Enrolled Memorandum of the Meeting  
Study Session/Meeting  
Twenty-Eighth Town Council of Highland  
Monday, September 17, 2018**

The Twenty-Eighth Town Council of the Town of Highland, Lake County, Indiana met in a study session on **Monday, September 17, 2018** at 6:42 O'clock P.M., in the regular place, the meeting chambers of the Highland Municipal Building, 3333 Ridge Road, Highland, Indiana.

**Silent Roll Call:** Councilors Dan Vassar, Mark Herak, Steve Wagner and Konnie Kuiper were present. Councilor Bernie Zemen was absent with prior notice. The Clerk-Treasurer, Michael W. Griffin was present to memorialize the proceedings. A quorum was attained.

**Officials Present:** Kathy DeGuilio-Fox, Redevelopment Director was present.

**Additional Officials Present:** Ed Dabrowski, IT Consultant (Contract); and Larry Kondrat, Board of Waterworks Directors were present.

**General Substance of Matters Discussed.**

**1. Review the report regarding the Circuit Breaker for 2018 and the Meijer Refund.**

The Town Clerk-Treasurer and the Town Council reviewed the reviewed report that presented the forecast impact to FY 2018 in property tax collections, owing to difference in the tax abstract from the approved DLGF NAV, the change owing to circuit breaker and the impact from the one time refund to Meijer Supermarket in Highland. The Clerk-Treasurer presented and guided discussion with the following report:

**FY 2018 Auditor's Report Effects of Adjustments (Abstract, Circuit Breaker and Meijer's Refund)**

	Highland	Approved Levy	June Settlement	Likely settlement	Abstract Actual		Circuit Breaker		Effective After Refund		Likely Final Collection	
0101	CorpGen - 0101 GENERAL 613	5,319,259.00	2,422,313.64	2,211,304.23	5,125,335.68	0.963543	4,978,061.77	0.935856	\$ 4,633,617.87	87.110%	4,633,617.87	87.11%
0180	CorpDebtSvc - 0180 DEBT SERVICE 614	1,500,444.00	722,950.33	659,973.64	1,445,742.40	0.963543	1,485,724.79	0.990190	\$ 1,382,923.97	92.168%	1,382,923.97	92.17%
0342	CorpPolPen - 0342 POLICE PENSION 619	2,184.00	1,011.83	923.68	2,104.43	0.963567	2,079.39	0.952102	\$ 1,935.51	88.622%	1,935.51	88.62%
1301	CorpParkRec - 1301 PARK & REC 639	1,104,038.00	502,877.98	459,071.93	1,063,788.62	0.963543	1,033,457.27	0.936070	\$ 961,949.91	87.130%	961,949.91	87.13%
1380	CorpParkBond - 1380 PARK BOND 625	1,342,100.00	647,063.31	590,697.19	1,293,171.33	0.963543	1,329,770.47	0.990813	\$ 1,237,760.50	92.226%	1,237,760.50	92.23%
2391	CorpCCD - 2391 CCD 647	544,921.00	248,403.51	226,764.90	525,054.92	0.963543	510,490.46	0.936816	\$ 475,168.41	87.200%	475,168.41	87.20%
2430	CorpRedevGen - 2430 REDEV-GEN 633	233,694.00	106,241.83	96,987.02	225,173.85	0.963541	218,336.04	0.934282	\$ 203,228.85	86.964%	203,228.85	86.96%
2482	CorpRedevBond - 2482 REDEV BOND 634	192,197.00	92,582.16	84,517.27	185,189.71	0.963541	190,264.27	0.989944	\$ 177,099.43	92.145%	177,099.43	92.14%
		<b>10,238,837.00</b>	<b>4,743,444.59</b>	<b>4,330,239.87</b>	<b>9,865,560.94</b>	<b>0.963543</b>	<b>9,748,184.46</b>	<b>0.952079</b>	<b>\$ 9,073,684.46</b>	<b>88.620%</b>	<b>9,073,684.46</b>	<b>88.62%</b>

	Highland Sanitary	Approved Levy	June Settlement	Likely December Settlement	Abstract		Circuit Breaker		Effective After Refund			
8284	SPExSanDebtSvc - 8284 EX SAN DEBT SVC 688	191,105.00	92,076.25	93,755.23	184,137.50	0.963541	189,224.57	0.990160	\$ 185,831.48	97.24%	185,831.48	97.24%
8201	SPSanDist - 8201 SP SAN GEN 626	205,301.00	55,144.57	56,150.11	197,816.28	0.963543	113,326.80	0.552003	\$ 111,294.68	54.21%	111,294.68	54.21%
8280	SPSanDebtSvc - 8280 SP SAN DEBT SER 627	2,129,451.00	1,026,498.41	1,045,216.29	2,051,817.82	0.963543	2,109,542.05	0.990651	\$ 2,071,714.70	97.29%	2,071,714.70	97.29%
		<b>2,525,857.00</b>	<b>1,173,719.23</b>	<b>1,195,121.63</b>	<b>2,433,771.60</b>	<b>0.963543</b>	<b>2,412,093.42</b>	<b>0.954960</b>	<b>\$ 2,368,840.86</b>	<b>93.78%</b>	<b>2,368,840.86</b>	<b>93.78%</b>

	Highland Water	Approved Levy	June Settlement		Abstract		Circuit Breaker					
8383	SpWaterDIdebt - 8383 WATER DIST DEBT 662	148,516.00	68,804.23	0.00	143,101.14	0.96354	141,398.58	0.952076			68,804.23	46.33%

Meijer refund was \$1,900,000.  
This is posted to the civil town at about 35.5%. This is a reduction of \$674,500 allocated pro-rata to all the property supported funds.

This is posted to the sanitary district at about 9.5%. This is a reduction of \$43,253 allocated pro-rata to all its property tax supported funds.

*Data Source: Lake County Auditor Office, Finance Bureau*

The discussion included the challenging constraints for the FY 2018. It was noted that owing to the significant reserves in the General, Parks and Recreation and Redevelopment General Funds, the effective reduction in collections for the operating funds estimated at 88% in aggregate, could be sustained. There was no discussion regarding the impact on debt service except that temporary loans may need to be extended.

It was further noted that FY 2018 would impact the reserves but not lower them below the fixed reserve amounts. He further pointed out that, in 2019 there would be a likely circuit breaker impact that could be absorbed by the reserve. However, the policy question remaining was should the proposed FY 2019 budget be merely funded or balanced.

2. ***Discussed Proposed Budget as Filed on September 13, 2018.*** The Town Clerk- The Town Clerk-Treasurer and the Town Council reviewed the FY 2019 budgets published on the Gateway computer portal for the proposed budget of FY 2019.

The discussion included the challenging constraints for the FY 2019. It was noted that the property tax levies constrained the operating maximum had a growth quotient for 2019 of only 3.4%. It was noted that it was previously 3.7% and 4% the year before. Based upon the circuit breaker losses expected for 2019 and the need to retain some reserves for the impact of 2020, the policy question before the Town Council would be whether to cut to balance or cut to split the costs between revenues and the reserves.

The Clerk-Treasurer also stated that pursuant to the perceived policy aspiration expressed by the Town council, that the proposed budget was designed to support a 3% general raise to the base pay of full-time workers.

The Clerk-Treasurer stated as advertised the proposed budget for the civil town was not fundable as it was **\$177,780** over the permitted maximum levy. The Sanitary District was **\$273,197** over its maximum levy. The Clerk-Treasurer further explained that if the circuit breaker will likely reduce the effective collections to 93%, in order to bring the civil budget into balance, which is the usual policy and support the raises, the civil budget would need to be reduced by **\$481,832**.

It was further noted that the schedule was for preadoption hearings to take place at the meeting of Monday, September 24, 2018 at 7:00 p.m. The adoption hearing was slated for Monday, October 15, 2018 at 6:30 p.m. It was noted that the Town Council President working as budget chair, would work with the Clerk-Treasurer and the several department heads to try to bring the proposed budget to balance or some planned portion of funding from reserves, which it was noted would not be sustainable over a protracted period.

*Group Health Insurance as a budget matter.* The Town Council and the Clerk-Treasurer had a colloquy on some of the recommendations that would occasion the budget including increases to the building fees, and the fees related to animal licenses. The discussion included an exploration of changes to the employee premium for group health, reducing the premiums associated with the High

Deductible plan. The discussion included considering encouraging more employees to move the High Deductible plan, noting even without the employer contribution made to the Health Savings accounts, the out of pocket is lower in the High deductible plan than the regular plan.

The discussion included exploring moving from the current \$500 deductible plan to a plan with same benefits but with a \$750 deduction. There was no traction for this approach evidenced.

The Town Council President and the Clerk-Treasurer would follow-up and meet with department heads.

- 3. *Ad Hoc: Discussion Regarding the Driveway installation at 9645-5<sup>th</sup> Street.*** The Town Council discussed that in consequence of the 45<sup>th</sup> Avenue and Fifth Street Intersection Improvement Project, work required temporary easements for the driveway at the Breger residence located at the northeast corner of 45<sup>th</sup> Avenue and Fifth Streets. Councilor Vassar reported that he was advised that Mr. Breger asked that when his driveway was restored (it was taken out as part of the new construction and under the terms of a temporary and permanent easement agreement) that it not be restored as sloped but restored as flat. It was restored on a slope or incline. Councilor Vassar further reported that Mr. Breger reported that he communicated his desire for a flat driveway to the construction engineer and the contractor.

It was suggested that the Town Council President follow-up with the Public Works Director and the Operations Director regarding this matter.

There being no further business necessary or desired to be discussed by the Town Council, the regular study session of the Town Council of **Monday, September 17, 2018**, was adjourned at 7:46 o'clock p.m.

Michael W. Griffin, IAMC/MMC/CPFA/CPFIM/CMO  
Clerk-Treasurer